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5 December 1977

MEMORANDUM FOR THE RECORD

SUBJECT : Proposed Prepaid Legal Plan

On 29 November 1977 a meeting on a proposal for prepaid legal insurance for Agency employees was held between [redacted] (Office of Security), [redacted] (Office of Personnel) and two non-Agency Attorneys - [redacted] (representing the prepaid legal plan). Representatives from [redacted] were also invited but were unable to attend. This meeting was arranged as a result of a letter from [redacted] to the Acting Director of Personnel, [redacted] requesting the opportunity to meet with Agency representatives and to answer questions regarding their prepaid legal proposal. [redacted] has also been in contact with [redacted] and Anthony Laphan of the Office of General Counsel.

[redacted] explained the provisions of their prepaid legal plan (please see attachment) and answered questions regarding same. The major point is that this plan would provide prepaid legal service for members, legal spouse and dependent children of the member, within the local District of Columbia, Maryland and Virginia jurisdictions. [redacted] advised that a minimum of 200 employees must participate and that an annual premium of \$120 per member would be charged. Members would be required to sign a membership contract for one year. They advised that experience with other similar plans found that a ratio of 1 lawyer for each 1500 members was satisfactory to provide this legal assistance. [redacted] spoke of his 14 month experience as the attorney for a prepaid legal insurance program for the Fairfax County Police. However, this policy only covered members (not spouse and dependent children) and provided coverage only during their official duty hours. The cost of this plan was \$1 per month for members. When questioned about what type contract would

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be provided to participants, they advised that a letter outlining the benefits [no contract] and identifying attorney contacts in each of the 3 jurisdictions [including bail bondsmen] would be sent to each enrollee. Of interest to [redacted] was the administration of such a program. [redacted]

[redacted] were advised that the Agency does not automatically have people available to handle the mechanics [enrollment, collection of premiums, follow-up actions, etc.] of such a proposal. They responded that it was likely they could be responsible for the administration, handling it with additional personnel within their law office and without an increase in the \$120 yearly premium. [redacted] used the term "check-off" [payroll deduction] when discussing collection of premiums. He was advised that it is also unlikely that our payroll system could [or is even authorized] make payroll deductions for such a program. This did not seem to bother [redacted] as he was willing to include collection of premium as part of his administrative responsibility.

When questioned on the specific types of legal coverage (attachment) and methods for dealing with volume requests for assistance, [redacted] displayed several forms covering the most frequently requested legal questions. On the basis of a telephone request these screening/information forms would be mailed to the enrollee for completion and return to the attorney. By supplying this information on the form one or more visits with the attorney would be eliminated and both attorney and members time will be saved. Based on a review of these forms the attorney would be able to provide legal guidance, prepare letters, or request a meeting with the member. The use of this form system and the 6 free hours of legal advice (attachment) make the concept of a prepaid legal plan seem worthwhile.

The question of an employee enrolled in this plan bringing suit against the Agency was raised and [redacted] replied that if there was merit to a particular charge, this plan would provide legal assistance to the employee.

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He also advised that the plan would provide assistance to enrolled members who were called before congressional or other official committees. However, the plan would not assist one member in bringing suit against another member.

The Security representatives advised that the Agency would require participating lawyers to be cleared and that background checks would be performed on clerical/administrative personnel associated with the plan. The question of cover and the participating of employees under cover in such a plan received only brief mention as there was no cover representatives present. In addition to questions of security, the obvious cover questions appear to be the key consideration to the viability of a prepaid legal plan for Agency employees.

[redacted]
Chief, Insurance Branch

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Attachment

Distribution:

Orig - DWD (Prepaid Legal file) 1 - IB chrono
 1 - Security Support Div. - [redacted]
 1 - Security - FAR - [redacted]
 1 - CCS/CSB - [redacted]
 ✓ 1 - DC/BSO
 OP/BSO/ [redacted] sjw (12/5/77)

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SUMMARY OF PREPAID LEGAL SERVICES

July 1, 1977

Prepaid Legal Service covers member, legal spouse and dependent children of the member, within the local District of Columbia, Maryland and Virginia jurisdictions. Any legal problem arising beyond the local jurisdictions will be negotiated directly between the attorney, covered person and attorney in the other jurisdiction. ANY LEGAL ACTION BETWEEN THE MEMBER AND ANY OTHER INDIVIDUAL COVERED BY THE PLAN IS EXCLUDED.

A. THE FOLLOWING LEGAL SERVICES ARE INCLUDED:

1. Consultation by telephone or office visit on any legal problem, except as limited hereafter, involving member, legal spouse (except separation or divorce from member) or dependent children of the member.
2. The will of each member and spouse shall be prepared and executed.
3. Preparation of routine legal documents such as Powers of Attorney, Simple Contracts, Agreements of Sale.
4. Separation and Property Settlement Agreements and Divorce cases (member only) that are not contested. If contested by spouse, the fee after the first six hours will be \$35.00 per hour, paid by member.
5. All motor vehicle traffic cases. No parking tickets.
6. Any personal injury (auto, professional malpractice, slander, etc.) to member, legal spouse or dependent children, with contingent fee of 25%. No charge for settlement of automobile or vehicle damage and replacement rental unless required to prove same in Court.
7. All misdemeanors and felonies. For any felony, an additional fee of \$35.00 per hour shall be paid by the covered person, after the first six hours, but not to exceed \$1,000.00.
8. All probate and estate matters, with fee as set by the Court.
9. All other civil matters, such as employer/employee, tax law violations, local or Federal governmental matters, etc., as Plaintiff or Defendant. Any time after the first six hours shall be paid by covered person at rate of \$35.00 per hour, but not to exceed \$1,000.00.

B. THE FOLLOWING LEGAL SERVICES ARE EXCLUDED BUT MAY BE HANDLED ON A FEE AGREEMENT BETWEEN THE COVERED PERSON AND THE ATTORNEY.

1. Any appeal of a civil or criminal matter, with the fee of \$35.00 per hour paid by covered person.
2. The formation of any business, bankruptcy, guardianship, adoption, or any other legal matter not covered herein.
3. Real estate settlements.

Page Denied